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BUSINESS IN PRESIDENTIAL YEARS.

BY CHAS. STEWART SMITH, PRESIDENT OF THE NEW YORK
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IT IS the plain teaching of history that a long lease of power and a strong government are absolutely essential to the execution of great and far-reaching plans.

The historic monuments of the remote past like the Pyramids, the Colosseum, the temples, and public highways, which after the lapse of centuries still excite the wonder and admiration of mankind, were the work of great kings and governments that, in the exercise of absolute power, concentrated the whole force of their subjects upon the object to be obtained, often with slight regard to the value of human life or to the rights of individuals. The erection of the great cathedrals of the middle ages by the voluntary contributions of the masses, prompted by fanatical or superstitious religious emotions, is the only exception to this iron law of progress which had been the rule of the world's advance up to the time of the dissolution of the feudal régime.

The political economist who writes the history of material progress in the latter half of the nineteenth century must admit that this old power of kings to produce great public works has been transferred to companies, corporations, syndicates and trusts with enormous aggregations of capital. No one man is powerful enough to build a Pacific Railroad, and these latter-day associations are the legitimate successors of the ancient monarchs ; they represent the spirit of this age, and without them progress would be retarded indefinitely. While these great corporations have acquired in the United States enormous wealth and influence, and while they have been at times, like their predecessors, indifferent to, and negligent of, the rights of the people, and have required the strong arm of the law to compel their observance of public obligations, still they have, upon the whole, deserved well

of the country and contributed immensely to its increase in wealth and power. Wise legislation, such as the establishment of railroad commissions and the proper regulation of trusts, has guarded public interests.

Associated capital is, however, proverbially timid and conservative. It demands stability as a condition of freedom of action; it fears revolutionary legislation, which produces uncertainty in commercial and industrial circles. It prefers to adapt itself to bad laws even, rather than be subject to constant and radical changes.

No experienced man will deny that the recurrence of a Presidential election every four years is one of the prominent disturbing features in the business world; inasmuch as the great political parties who strive to rule the country must necessarily prepare for the contest twelve months in advance, we have in effect one year in four of this periodical interruption, with its consequent damage to business interests.

Nothing is more common than the remark of business men that "this is the year for election of the President, and we cannot expect the usual amount of business." We have a complete illustration of this unsettling effect in the position of the two great parties as defined in the platforms of the late conventions at Minneapolis and Chicago. The Republican party declares emphatically its purpose to maintain the existing policy of protection of American manufacturers and wage earners. The Democrats with equal emphasis stigmatize protection "as robbery and unconstitutional," and they promise a tariff for revenue only, if they come into power. The election of President will decide which policy will prevail, for the next Congress is likely to be in harmony with the newly-elected President. Both parties are confident of success. The majority either way will be small, with the possibility of a radical change in the tariff, and the consequent uncertainty as to the future. No prudent business man will engage in new enterprises of large moment—he will prefer to shorten sail and await the result of the election. The importer will be cautious if he conceives there is a prospect of lower duties upon his merchandise, and the manufacturer will not add to his machinery if he fears that free trade will ruin his business.

Happily both parties are now substantially agreed, if we can

trust the party platforms, in favor of honest money, and upon the maintenance of the existing parity between gold and silver. The craze for the free coinage of silver, like the old greenback mania, has met with sudden death. I predict that the next Congress will be wise enough to stop the monthly purchase of four million ounces of silver, and thus save the government from the disgrace and disaster of a premium upon gold. This Presidential election will also decide the financial policy of the United States for a long term of years. The international silver conference may give the world some useful information, but it will not cause the remonetization of silver in England or Germany.

The full duration of an English Parliament is limited to seven years, and the Republic of France has fixed its Presidential term at eight years. In my judgment it would be desirable to lengthen the term of office of the President of the United States to eight years and render the incumbent ineligible to reelection. If we have a worthy President, the lengthened term would give the country the advantage which long experience gives to all professions, and would take away from him the temptation to manœuvre for reelection. If a President should prove unacceptable to the country, we can confidently rely upon the representatives of the people in Congress to protect their interests.

The direct expenses of a Presidential election amount to many millions of dollars, and the indirect losses to the country in an exciting campaign by the retarding of business operations are incalculable. A shrewd political authority, accustomed to handle campaign funds, estimates that it will cost the two political parties one and a half million of dollars in New York State alone to conduct the coming campaign. The lengthening of the term to eight years would reduce such expenses and losses by one-half. It would be greatly to the advantage of our diplomatic service in the longer continuance in office of experienced men, and would also strengthen civil-service reform among all classes of employees, and save them from the temptations always incident, in a greater or lesser degree, to the frequent changes in the minor offices which follow in the wake of Presidential elections.

The professional politicians and the bosses would be likely to oppose such a change, and the hungry crowd who are waiting for federal appointments would raise the old cry of "An aristocracy of office holders," but the common sense of the

country will yet demand the stability and tranquillity which would come from a lengthened term of office for the Chief Magistrate of the United States.

Notwithstanding the vast financial and commercial interests at stake, dependent upon the results of the November Presidential election, and the fact that the issues are sharply defined and easily understood, there has never been, within the experience of men now living, a Presidential election when the two parties have made so little preparation for, and have shown so little interest in, the contest. While this state of affairs has created less disturbance than usual to business, yet considering that a change in the President may involve an entire change in the economic policy of the country, the absence of interest in the election is phenomenal.

The threatened visitation of cholera, though at this writing an unknown quantity, must be reckoned among the disturbing forces of this Presidential year. Already it is certain that immigration will be stopped for some months to come, and that our commerce with the great shipping ports of Europe will be seriously disturbed.

The recent sharp advances in rates of discount in Wall Street indicate distrust of the future, and it is apparent that money will be required in unusual amount during the prevalence of cholera in Europe to carry raw materials at home which usually find prompt markets abroad.

CHARLES STEWART SMITH.